



Lodestar Energy, Inc.
Mountain Operations
White Oak, Horizon, and Grand Valley Mines
HC35 Box 370
Helper, Utah 84526

January 11, 2001

Mr. David Darby
 Utah Coal Program
 Div. of Oil, Gas and Mining
 1594 West North Temple, Suite 1210
 Salt Lake City, UT 84114-5801

Jerald Lense
Copy Dave
~~*[Signature]*~~
~~*[Signature]*~~

Dear Mr. Darby:

Per your request, Lodestar Energy, Inc. is sending this and the attached canceled check from our request to extend the water rights provided by the Sweet family. As of June 20, 2000, on the date the check was cashed, Lodestar has an extension of the lease for five additional years ending in May of 2005. The lease will need to be renewed at that time.

I hope this satisfies your request for confirmation of this action.

Sincerely,

David B. Miller

David B. Miller
 Business Manager

File: Horizon/DOGM/Permit/DOGMSweetWR.doc

